

THE DIRECTOR OF CENTRAL INTELLIGENCE
WASHINGTON, D. C. 20505

Executive Registry
74-5704

30 September 1974

Dr. Albert C. Hall
Assistant Secretary of Defense (Intelligence)
Washington, D.C. 20301

Dear Al:

Mr. P. J. Berenson was kind enough to give me a copy of your draft memorandum for the DCI entitled "The KIQ/KEP Program for FY 75," which you did not send because it had been partially overtaken by discussions at the USIB and the NSCIC.

As you well recognize, the KIQ/KEP program is an innovative experiment designed to achieve several objectives. The program's main purpose is to create an environment in which actual substantive needs -- i.e., the intelligence information and support most needed or desired by the President and his senior advisors -- drive the activities of the entire Intelligence Community and the resource allocations of its several components. Simultaneously, the program represents an attempt to develop the kind of information which will enable line managers to ascertain whether resources are in fact being allocated to programs that satisfy major substantive requirements. One problem, which all of us recognize, is that any list of major substantive needs that is to be of manageable size has to be phrased in fairly broad terms, whereas the kind of informational desiderata that can efficiently serve as parameters for assessing resource allocations -- i.e., the basis for audit trails -- have to be phrased in concrete detail and with considerable precision. Thus, built into the KIQ/KEP program is a certain tension between polar opposites. What we have to do is find the right balance between generality and detail, a balance that will doubtless require two or three years of trial and error to strike.

On file OSD release instructions apply.

K-6

Your concerns about user participation are understandable, though I hope that in actuality they are not fully warranted. Despite perhaps misleading appearances, the NIOs are not engaged in evaluating their own performance. Instead, they are engaged -- on the DCI's behalf -- in an effort to monitor the Community's performance in meeting the intelligence needs of our major consumers within the NIOs respective areas of functional or geographic responsibility. You are quite correct in stating that neither the NIOs nor the USIB nor the NSCIC adequately represent the users. It is for this reason that the NIOs do indeed work directly with the principal consumers of intelligence, engaging in a continual dialogue with Cabinet-level members of the NSC, their senior subordinates and staffs and even (through the DCI) the President himself. These policy-level consumers are senior officials and busy men who cannot be asked to engage themselves directly in the KEP process. They are, however, consulted on a continuing basis to ensure the accuracy and validity of our perception of their requirements.

Making this new process work is going to require a great deal of cooperative endeavor by us all. We appreciate your continuing interest and hope we will be able to count on the counsel and assistance of your office as we endeavor to give meaning to the DCI's concept.



George A. Carver, Jr.
Deputy for National Intelligence Officers

cc: Director, DIA

(Internal)

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OFFICE OF THE ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301


INTELLIGENCE

4 SEP 1974

Mr. George A. Carver, Jr.
Deputy for National Intelligence
Officers
Central Intelligence Agency
Washington, D. C. 20505

SUBJECT: KIQ/KEP Program

Attached is a draft memorandum prepared for Dr. Hall to send to the DCI commenting on the KIQ/KEP Program. Dr. Hall chose not to transmit this memorandum because it had been partially overtaken by discussion at the USIB and NSCIC. I am sending it to you for your information so that you are aware of these DoD views and can try to reflect them as you revise the KIQ/KEP Program. The memorandum had been informally coordinated with DIA.


P. J. Berenson
Director, General Purpose
Forces Assessment

Attachment

Copy to:
Mr. Clayton E. McManaway



INTELLIGENCE

MEMORANDUM FOR DIRECTOR, CENTRAL INTELLIGENCE

SUBJECT: The KIQ/KEP Program for FY 1975

- Reference: (a) Your 29 May 1974 memorandum for the USIB and IRAC, same subject
(b) Your 3 July 1974 memorandum for the USIB; Subject: Draft Key Intelligence Questions for FY 1975
(c) Your 29 July 1974 memorandum for the USIB; Subject: Revised Key Intelligence Questions for FY 1975

I have reviewed the progress and status of the Key Intelligence Question Evaluation Program as a result of receiving the three referenced memoranda. I am particularly interested in the use of this program, or a later version, to relate intelligence resources to intelligence substance and thus improve the effectiveness of our resource allocations. In addition, I fully support the related objective of improving intelligence products by using the KIQ and KEP. My review suggests that earlier DoD comments on the KIQ/KEP have not been adequately recognized.

The Deputy Secretary of Defense, in commenting on the initial KIQs, emphasized the importance of developing a short list of specific, factual questions, the answers to which would demonstrably impact major near term decisions. The FY 1975 KIQs provide a relatively long list of broad questions. I believe the current KIQs must be better focused if the objectives you established for the KIQ/KEP are to be met. I appreciate the difficulty of achieving a short, highly focused list that satisfies all the users. However, I believe it would be better to complete work during a year or two on a relatively small number of highly focused questions that could have an identifiable impact on major decisions, rather than simply providing additional information on a larger set of more general questions.

I am concerned about the lack of user participation in the KEP. Based on my understanding of current plans, the NIOs are the focal point for the KEP. In particular, the NIOs are responsible for preparing Section A of the KEP Baseline Report, which identifies deficiencies, and Section D of the Performance Report, which evaluates user satisfaction with the intelligence product. Thus, the NIO is put in the position of evaluating his own performance. Without detailed user inputs to the KEP, it is unlikely that much of value will be achieved. I should emphasize that in my view neither the NIOs nor the USIB nor the NSCIC adequately represent the users. Instead of having the intelligence community tasking and evaluating itself, I suggest that the NIOs work directly with the users in the preparation of the KEP reports. I recognize that this will require more time on the part of the NIOs, but believe this is necessary to achieve your objectives even if it requires an increase in the staff of the NIO.

I believe that the NIOs and the other people working on the KEP in DIA and the IC Staff are doing their best to make the evaluation process work in a way that will achieve your objectives. I understand they have had many bureaucratic problems tending to take the teeth out of the evaluation process. We should support their desire to quantify the evaluation process so that it could eventually prove useful for resource decisions, as well as product improvement. In particular, more focused questions and more user participation are needed for the KIQ/KEP to be useful to measure intelligence community performance and allocate resources.

Albert C. Hall